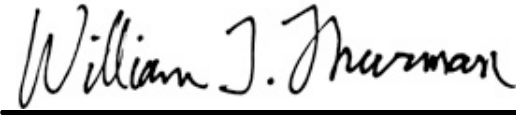


The below described is **SIGNED**.

Dated: October 16, 2014



WILLIAM T. THURMAN
U.S. Bankruptcy Judge



IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION

In re:

SLC INN LLC

Debtor.

Bankruptcy Case No. 14-30634
Chapter 11

Honorable William T. Thurman

(Filed Electronically)

ORDER AUTHORIZING USE OF CASH COLLATERAL ON AN INTERIM BASIS

This matter came before the Court on October 14, 2014 at 10:00 a.m. upon the Motion for Authorization of (1) the Interim and Permanent Use of Cash Collateral, (2) the Granting of Replacement Liens and (3) Scheduling Final Hearing on Use of Cash Collateral [Docket No. 6] (the "Motion"), filed by Debtor and debtor-in-possession, SLC Inn LLC. Blake D. Miller of Miller Toone, P.C. appeared on behalf of the Debtor; David H. Leigh appeared on behalf of Wells Street Capital VII LLC; and Peter Kuhn appeared on behalf of the United States Trustee.

Based on the evidence received by the Court and/or adduced at the preliminary hearing on the motion, upon consideration of the representations and statements of counsel on the record, and the Court having made findings of fact and conclusions of law on the record of the hearing, which findings and conclusions are incorporated into this order by reference, the Court hereby finds and concludes as follows:

- (a) The Court has jurisdiction under 28 U.S.C. §§157 and 1334.

- (b) This is a core proceeding under 28 U.S.C. § 157(b)(2).
- (c) No examiner or trustee has been appointed in the case.
- (d) Notice of the Motion, and of the preliminary hearing thereon, was and is adequate and proper within the meaning of 11 U.S.C. §§ 102(1) and Federal Rule of Bankruptcy Procedure 4001(b).
- (e) The expenses identified on Exhibits “A” (the “Budget”) and Exhibit “B” (Wages) are actual and necessary costs and expenses of preserving the Debtor's Chapter 11 bankruptcy case during the interim period covered by this Order.
- (f) The expenses must be paid to avoid immediate and irreparable harm to the estate pending a final hearing on the Motion.
- (g) The expenses must also be paid to protect, preserve, maintain and benefit the Hotel in which Wells Street Capital VII LLC (the “Lienholder”) claims a lien interest.
- (h) The Lienholder claims, or may claim, an interest in the Debtor's cash collateral.
- (i) To the extent that the Lienholder has an interest in the Debtor's cash collateral, the Lienholder is adequately protected by the replacement liens and other adequate protection rights granted hereunder.

WHEREFORE, based on the Motion, the foregoing Findings and Conclusions and other matters of record, and good cause appearing, it is hereby ordered that:

1. The Motion is granted on an interim basis, is more particularly described below.
2. The Debtor is authorized to use and spend cash collateral to pay the expenses set forth on Exhibit “A” for the time periods specified therein until the date of the final hearing

scheduled below. The Debtor may exceed by ten percent any line item of Exhibit "A." The Debtor, however, may not exceed the total amount of the attached budget, as a whole, for the three month period shown by the Budget.

3. The Debtor is authorized to use and spend cash collateral to pay the wages set forth on Exhibit "B."

4. With the express consent of the Lienholder, the Debtor may use or spend cash collateral beyond or in addition to the listed expenses.

5. The Lienholder shall receive, and shall be afforded, as adequate protection, replacement liens on the same types of post-petition property of the estate against which the Lienholder held liens as of the Petition Date, bearing the same priority, validity and enforceability of the Lienholder's respective pre-petition liens. The replacement liens shall be recognized only to the extent of the diminution in value of the Lienholder's collateral as of the Petition Date resulting from the Debtor's use of cash collateral during the bankruptcy case.

6. Not later than the commencement of the final hearing set for November 5, 2014 at 10:00 a.m., the Debtor shall submit to the Lienholder a reconciliation of actual expenses and receipts against the budget.

7. Nothing in this Order shall be deemed to determine the extent, amount, validity or priority of the claims or liens of the Lienholder.

8. The authority granted by this order shall expire on November 5, 2014, at 10:00 a.m.

9. The Court shall hold a final hearing on the Debtor's authority to use cash collateral on November 5, 2014, at 10:00 a.m.

10. This order is effective as of October 14, 2014, when the Court's verbal ruling was announced in open court at the conclusion of the hearing on the motion.

----- END OF ORDER -----

Approved as to Form:

/s/ David H. Leigh (signature used with permission)

David H. Leigh

Counsel for Wells Street Capital VII LLC

DESIGNATION OF PARTIES TO BE SERVED

Service of the foregoing **ORDER AUTHORIZING USE OF CASH COLLATERAL ON AN INTERIM BASIS** shall be served to the parties and in the manner designated below:

By Electronic Service: I certify that the parties of record in this case as identified below, are registered CM/ECF users and will be served notice of entry of the foregoing Order through the CM/ECF system:

- Blake D. Miller miller@millertoone.com
- David H. Leigh dleigh@rqn.com, dburton@rqn.com; docket@rqn.com
- Peter J. Kuhn, United States Trustee peter.j.kuhn@usdoj.gov

/s/ Blake D. Miller
Blake D. Miller

SLC Inn LLC					
10/6/2014					
	Oct 7-31	November	December	3 Months	Monthly
<u>Cash Receipts:</u>					
Rooms	\$ 194,753	\$ 123,690	\$ 131,170	\$ 449,613	\$ 149,871
F&B	\$ 17,565	\$ 13,185	\$ 15,713	\$ 46,463	\$ 15,488
Other	\$ 3,800	\$ 3,800	\$ 3,800	\$ 11,400	\$ 3,800
TOTAL INFLOWS	\$ 216,118	\$ 140,675	\$ 150,683	\$ 507,476	\$ 169,159
<u>(Less) Expenses:</u>					
<u>Rooms Dept Expenses:</u>					
Payroll	\$ 14,865	\$ 26,958	\$ 25,384	\$ 67,207	\$ 22,402
Payroll Taxes	\$ 1,591	\$ 2,564	\$ 2,716	\$ 6,871	\$ 2,290
Travel Agent Commissions	\$ 7,416	\$ 4,329	\$ 4,591	\$ 16,336	\$ 5,445
Guest transportation	\$ 4,977	\$ 3,717	\$ 3,968	\$ 12,662	\$ 4,221
Cable TV	\$ 2,170	\$ 2,170	\$ 2,170	\$ 6,510	\$ 2,170
Other Rooms Dept. Expenses	\$ 5,321	\$ 3,418	\$ 3,797	\$ 12,536	\$ 4,179
<u>Food & Beverage Dept. Expenses</u>					
Payroll	\$ 3,949	\$ 7,758	\$ 7,898	\$ 19,605	\$ 6,535
Payroll Taxes	\$ 431	\$ 846	\$ 861	\$ 2,138	\$ 713
Food Costs	\$ 5,911	\$ 3,885	\$ 4,289	\$ 14,085	\$ 4,695
Beverage Costs	\$ 1,014	\$ 666	\$ 735	\$ 2,415	\$ 805
Other Food & Beverage Costs	\$ 1,742	\$ 1,605	\$ 1,657	\$ 5,004	\$ 1,668
<u>Telephone / Internet Expenses</u>	\$ 3,443	\$ 3,537	\$ 2,519	\$ 9,499	\$ 3,166
<u>Administrative & General Expenses:</u>					
Payroll	\$ 5,947	\$ 11,894	\$ 11,894	\$ 29,735	\$ 9,912
Payroll Taxes	\$ 666	\$ 1,332	\$ 1,322	\$ 3,320	\$ 1,107
Accounting Fees	\$ 3,700	\$ 3,700	\$ 3,700	\$ 11,100	\$ 3,700
Other Admin. & General Expenses	\$ 13,944	\$ 11,005	\$ 11,326	\$ 36,275	\$ 12,092
<u>Franchise Costs</u>		\$ 28,338	\$ 19,282	\$ 47,620	\$ 15,873
<u>Management Fee</u>		\$ 8,645	\$ 5,627	\$ 14,272	\$ 4,757
<u>Sales & Marketing Expenses:</u>					
Payroll	\$ 2,184	\$ 4,367	\$ 4,367	\$ 10,918	\$ 3,639
Payroll Taxes	\$ 275	\$ 550	\$ 550	\$ 1,375	\$ 458
Sales Rep Services	\$ 4,650	\$ 4,650	\$ 4,650	\$ 13,950	\$ 4,650
Other Sales & Marketing Expenses	\$ 3,325	\$ 3,325	\$ 3,325	\$ 9,975	\$ 3,325

* Detail of this line item follows on Exhibit "A-1"

SLC Inn LLC					
10/6/2014					
	Oct 7-31	November	December	3 Months	Monthly
<u>Club Rm Exp. (Breakfast/Even. Guest Social)</u>					
Payroll	\$ 1,960	\$ 3,806	\$ 3,919	\$ 9,685	\$ 3,228
Payroll Taxes	\$ 214	\$ 415	\$ 427	\$ 1,056	\$ 352
Food Costs	\$ 9,838	\$ 5,743	\$ 6,559	\$ 22,140	\$ 7,380
Beverage Costs	\$ 787	\$ 459	\$ 525	\$ 1,771	\$ 590.33
Other Club Rm Expenses	\$ 1,507	\$ 952	\$ 1,063	\$ 3,522	\$ 1,174
<u>Maintenance Expenses:</u>					
Payroll	\$ 3,457	\$ 6,913	\$ 6,913	\$ 17,283	\$ 5,761
Payroll Taxes	\$ 374	\$ 747	\$ 747	\$ 1,868	\$ 623
Other Maintenance Expenses	\$ 3,261	\$ 2,732	\$ 2,838	\$ 8,831	\$ 2,944
<u>Utilities</u>	\$ 9,779	\$ 9,104	\$ 12,669	\$ 31,552	\$ 10,517
<u>Insurance</u>	\$ 8,199	\$ 8,199	\$ 8,199	\$ 24,597	\$ 8,199
Regular Capital Expenses	\$ 3,000	\$ 3,000	\$ 3,000	\$ 9,000	\$ 3,000
Ford Credit -Shuttle Van Lease #1	\$ 694	\$ 694	\$ 694	\$ 2,082	\$ 694
Ford Credit -Shuttle Van Lease #2	\$ 636	\$ 636	\$ 636	\$ 1,908	\$ 636
Dell - Computer Lease	\$ 182	\$ 182	\$ 182	\$ 546	\$ 182
Chapter 11 Professional Fees					
Asset Management	\$ 5,000	\$ 5,000	\$ 5,000	\$ 15,000	\$ 5,000
UST Fees					
TOTAL OUTFLOWS	\$ 136,405	\$ 187,842	\$ 179,999	\$ 504,246	\$ 168,082
RECEIPTS LESS EXPENSES	\$ 79,713	\$ (47,167)	\$ (29,316)	\$ 3,230	\$ 1,077
BEGINNING CASH BALANCE	\$ 97,432	\$ 177,145	\$ 129,978		
ENDING CASH BALANCE	\$ 177,145	\$ 129,978	\$ 100,662		
(equals Rec-less-Exp + Beg Cash Bal)					

Exhibit "A-1"

SLC Inn LLC					
	Oct 7-31	November	December	3 Months	Monthly
Other A&G Expenses:					
Accounting Payroll Services	\$ 850	\$ 850	\$ 850	\$ 2,550	\$ 850
Bad Debts	\$ 80	\$ 80	\$ 80	\$ 240	\$ 80.00
Bank charges	\$ 490	\$ 490	\$ 490	\$ 1,470	\$ 490.00
Cash (Over) and Short	\$ 20	\$ 20	\$ 20	\$ 60	\$ 20.00
Chargebacks	\$ 40	\$ 40	\$ 40	\$ 120	\$ 40.00
Computer Programs	\$ 700	\$ 700	\$ 700	\$ 2,100	\$ 700.00
Contract Services	\$ 210	\$ 210	\$ 210	\$ 630	\$ 210.00
Credit Card Commisions and Fees	\$ 5,439	\$ 3,241	\$ 3,475	\$ 12,155	\$ 4,051.67
Dues and Subscriptions	\$ 260	\$ 260	\$ 260	\$ 780	\$ 260.00
Duplicating Costs	\$ 75	\$ 75	\$ 75	\$ 225	\$ 75.00
Employee Meals	\$ 300	\$ 300	\$ 300	\$ 900	\$ 300.00
Employee Relations	\$ 50	\$ 50	\$ 50	\$ 150	\$ 50.00
Employee Training	\$ 100	\$ 100	\$ 100	\$ 300	\$ 100.00
Enter. Meals in Hotel	\$ 10	\$ 10	\$ 10	\$ 30	\$ 10.00
Enter. Meals Off Property	\$ 50	\$ 50	\$ 50	\$ 150	\$ 50.00
Licenses and Permits	\$ 500	\$ 220	\$ 220	\$ 940	\$ 313.33
Taxi, Bus and Mileage	\$ 100	\$ 80	\$ 80	\$ 260	\$ 86.67
Office Supplies	\$ 666	\$ 389	\$ 444	\$ 1,499	\$ 499.67
Postage and Delivery	\$ 394	\$ 230	\$ 262	\$ 886	\$ 295.33
Printing and Stationary	\$ 100	\$ 100	\$ 100	\$ 300	\$ 100.00
Outside Services	\$ 2,300	\$ 2,300	\$ 2,300	\$ 6,900	\$ 2,300.00
Recruiting Expense	\$ 275	\$ 275	\$ 275	\$ 825	\$ 275.00
Telephone and Fax	\$ 35	\$ 35	\$ 35	\$ 105	\$ 35.00
Travel, Lodging	\$ 850	\$ 850	\$ 850	\$ 2,550	\$ 850.00
Uniforms	\$ 50	\$ 50	\$ 50	\$ 150	\$ 50.00
	\$ 13,944	\$ 11,005	\$ 11,326	\$ 36,275	\$ 12,091.67

SLC Inn, LLC			
Slaries & Wages 10.01.14 to 10.06.14	Rate		Amount
Cruz Vanessa	9.00	25.80	232.20
Fernandez, Amanda	13.50	25.02	337.77
Hill Rosalynn	12.50	22.58	282.25
Molifua-Salanda, Sharon	10.00	26.63	266.30
Rule, Issac	11.00	34.17	375.87
			-
Miner Farrell	10.50	33.80	354.90
Morris, Richard	9.00	33.45	301.05
			-
Tapia, Sonia	12.00	37.88	454.56
Aguilar, Patricia	8.50	41.22	350.37
Alcivar, Maria	8.50	49.98	424.83
Arneolla, Beatriz	8.50		-
Avila, Claudia	8.50	9.03	76.76
Felix, Isabel	9.00	25.60	230.40
Gutierrez, Maria	8.50	46.72	397.12
Herrera, Leticia	9.50	51.38	488.11
Juarez, Evangelina	8.75	51.32	449.05
Rodriguez, Irma	8.50	24.95	212.08
			-
Valdez, Francisco	9.50	34.05	323.48
Hallett, Vickie	8.50	23.13	196.61
Leon, Miguel	8.50	34.60	294.10
Perez, Alberto			716.67
Castillo, Cecilia	9.50	21.70	206.15
Rosiles, Jorge	10.00	38.52	385.20
Rosiles, Victor	12.00	35.17	422.04
			-
Begay, Valentina	4.00	16.27	65.08
Bustamante, Candy	8.00	15.50	124.00
Perez, Monica	4.00	18.80	75.20
Manton Debbie			3,583.33
Scheeler, Loretta			658.67
Brown, Marshall	9.00	15.47	139.23
Lacentia, Rod	10.00	33.53	335.30
			-
Thiede, Gerald	9.00	33.83	304.47
Blossom, Camilla			700.00
Tapia, Petra	10.00	28.73	287.30
			-
Rosiles, Juan Carlos	8.00	36.43	291.44
Villalobos, Briza	8.00	19.87	158.96
			-
Archuleta, Alex	14.50	26.32	381.64
Reyburn, Lee			750.00
Flores, Juan C.	9.00	32.22	289.98
Totals		1,003.67	15,922.45
Taxes	9.34%		1,487.16
S&W with Taxes			17,409.60

10075	Alcivar, Maria	\$ 882.00
10076	Avila, Claudia	\$ 255.83
10079	Juarez, Evangelina	\$ 817.56
10080	Hallet, Vickie	\$ 479.59
10082	Perez, Monica	\$ 8.54
10085	Thiede, Geraldd	\$ 425.75
10086	Villalobos, Brisa	\$ 220.92
10087	Flores, Juan	\$ 742.14
10040	Avila, Claudia	\$ 181.89
10059	Avila, Claudia	\$ 63.73

Total \$ 4,077.95